

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Seward****Project Title:**

Seward - Purchase of Back-up Generators

State Funding Requested: \$ 2,000,000**House District: 35 - R**

One-Time Need

Brief Project Description:

Replacement of two electric diesel generators built in the 1940s.

Funding Plan:**Total Cost of Project: \$4,000,000**

<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Other				\$2,000,000	FY2009
Total				\$2,000,000	

*Explanation of Other Funds:**Local Bonding.***Detailed Project Description and Justification:**

The City of Seward is seeking funding for the emergency replacement of two standby generators, at a cost of \$2 million each. The funding source would be Railbelt Energy Fund.

When Hurricane Katrina hit the Gulf Coast, it caused severe flooding. One of the business that was flooded the City's parts supplier for their Alco generators sets. The City was told by their supplier that they would not reopen. This has left the City in a position of trying to provide reliable electric power to during cold and adverse weather conditions with no readily available supply of parts.

Project Timeline:

Generators will be purchased in FY2009

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Seward

Grant Recipient Contact Information:

Contact Name: Phillip Oates, City Manager, Phone Number: 907-224-4047

Address: PO Box 167, Seward, AK 99664

Email: poates@cityofseward.net

Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No

2008 City of Seward Request for Support From The Governor's Office



Project Title: Rail Belt Energy Funds- Two Electric Generators
Priority: #1 Infrastructure
Funding Needed: \$2 million
Funding Source: State and Local Contributions

Project Justification:

This \$2M will purchase one electric generator for the electric service area that extends 21 miles from the city limits. This generator is essential for providing emergency power to the citizens of Seward and residents of the electric service area. The City of Seward will provide a 100% match of the \$2M to purchase a second generator. This project was approved through a public process and city council resolution attached. In an emergency, any excess capacity available could also be used to provide power to Chugach Electric customers living in the Moose Pass and Cooper Landing areas.

The City of Seward electric department serves approximately 3,100 customers, from Lowell Point to Lawing (mile 24 of the Seward highway). We are a wholesale power customer of Chugach Electric Association (Chugach). However, due to weather events and natural disasters, the City has maintained the ability to provide power to all our customers, for times of interruption in our power supply from Chugach.

As our load continues to grow, we continue to try to provide all the electrical needs of our customers. In 2000, the City completed the addition of our sixth diesel generator. We now find ourselves faced with the immediate need to not only replace 2 generators, we also need to increase the capacity of our generation facility and upgrade our controls and switchgear. New generation interconnect standards are being developed by the large generation utilities in the railbelt; we can no longer connect in parallel with the power grid, not even long enough to get our generators off line when our power supply from Chugach is restored. This means that we have to turn the power off to every one before we can be re-supplied by Chugach Electric. Not only does this project allow for this interconnect, it will also give the City the abilities to operate all of our units at their peak efficiency, this has not been possible in the past, due to limitations in our controls and we are anticipating a fuel savings of up to 10% which is about 100 gallons per hour of operation and at today's cost that equals about \$400.00 for every hour of operation. Even though our hours of operation are limited, the weather conditions during the times that we do operate are severe and it is extremely important to be able to provide electric power to the residents in our service area.

Project Description:

Following the 1964 earthquake, the City of Seward received 2 Alco generators to provide power to the local area. Since that time, the City has maintained those generators and added additional generators as our load has increased.

After hurricane Katrina flooded parts of Louisiana and Mississippi, we were contacted by our parts supplier, the only one in the United States and told that they would not reopen. The Alco generators are surplus World War II engines taken out of a submarine.

In February of 2006, severe storms hit the Kenai Peninsula and Governor Murkowski declared it a disaster area. The City of Seward electric department lost about 2,000 ft. of our transmission line in an avalanche. This forced the City to operate our “emergency stand-by generators” for 26 days. During this time of extended operation, the Alco generators developed problems with the seals and began leaking antifreeze into the oil. After considerable research and deliberations, the decision was made to look at replacement of both Alco generators.

On August 27, 2007, the Seward City Council passed and approved Resolution 2007-085; “Authorizing the City Manager to pursue funding for two electric generators and associated components and design/build proposals for Fort Raymond generator building and a warehouse with office space.”